THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

Financial Statements

For the year ended 31 December 2025

Page 2 - 10	Annual Report
Page 11- 13	Independent Auditor's Report
Page 14	Statement of Financial Activities
Page 15	Balance Sheet
Page 16	Cashflow Statement
Pages 17 - 29	Notes to the Financial Statements

Incumbent:	The Rev'd Stephen Stavrou The Vicarage 39 Elm Bank Gardens Barnes London SW13 0NX
Bank:	Barclays Bank George Street Richmond Surrey
Independent Auditor:	Xeinadin Audit Limited 5 Robin Hood Lane Sutton Surrey SM1 2SW
Registered Charity Number:	1133927

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT
For the year ended 31 December 2025

Administrative Information

St Michael and All Angels Church is situated in Elm Bank Gardens, Barnes, London SW13. It is part of the Diocese of Southwark within the Church of England. The correspondence address is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

PCC members who have served from 1 January 2025 until the date this report was approved are:

Incumbent:	The Rev'd Stephen Stavrou
Assistant Priest	The Rev'd James Marston
Wardens:	Jane Bennett-Powell (resigned May 2024) Lizzie Hackett Brown Rhodri Walters (appointed May 2024)
Deanery Synod Representatives:	Frederick Appleby Rhodri Walters (resigned May 2025) Jan Black (appointed May 2025)
Ex Officio members:	Jacqueline Russell (Treasurer)
Elected Members:	Frederick Appleby Jane Bennett-Powell (appointed May 2024) Jan Black (appointed May 2025) Gemma Curran Camilla Harries (Parish Safeguarding officer) (resigned May 2025) Bruce Houlder Anne Johnstone (resigned November 2025) Marion Kreling Hannah McTrusty (appointed May 2024) Asha Pandit Patricia Reed-Boswell Jacqueline Russell (Treasurer) Charly Stapley (Parish Safeguarding) (appointed May 2025) Annette Waller
Parish Safeguarding Officer: Parish Safeguarding Representative:	Camilla Harries (resigned May 2025) Charly Stapley (appointed May 2025)
PCC Secretary	*This position is presently vacant.*

The incumbent, wardens, and elected members are Trustees for the purpose of the Charities Commission.

Structure, governance, and management

The PCC is governed by the PCC Powers Measure (1956) as amended and church representation rules.

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC meets at least four times a year and operates through two sub-committees which meet between full meetings of the PCC. These comprise the Standing Committee and the Finance

Committee.

The Parochial Church Council (PCC) is the church's governing body and its members for the time being are de facto the church's Trustees. They are co-trustees with the Diocesan Board of Finance for the Trust Land held by the church. Members of the PCC are elected by members of the congregation on the church's Electoral Roll at the Annual Parochial Church Meeting. PCC membership, in accordance with Church of England practice, will not normally exceed three years.

Objectives and Activities

The PCC of St Michael and All Angels, Barnes has the responsibility to co-operate with the incumbent, Fr Stephen Stavrou, in promoting in the ecclesiastical parish the whole mission of the church, pastoral, evangelistic, social, and ecumenical. It also has responsibility for the maintenance of the Church and the control of expenditure.

Achievements and performance

Church Attendance
St Michael's Electoral Roll stands at 130, based on figures that took place during May 2025.

VIEW FROM THE VICARAGE 2026

Annual reviews usually focus on special events that have taken place through the year. This time however, I wish to focus on the ordinary round of services and aspects of parish life. It is this day-to-day ministry that is heart of our life as a church, much of it hidden or modest in numbers but reflecting our love for God and neighbour which is our core purpose as a Christian community.

The Mass is the centre of our worship as Christians, and the Eucharist is usually celebrated 6 times a week at St Michael's. Three of those services take place on Sundays – Low Mass at 8am, Sung Mass at 10am and a Children's Mass at 11.30am. In recent years we have moved away from a sense of the Sung as being the 'main service' with the others as secondary spin-offs, and towards a multi-congregational model, with those congregations combining in worship from time to time. This is a feature of a development that caters for different needs and enables growth.

Low Mass is also celebrated during the week on Wednesday at Noon and Saturday at 9.30am. The Wednesday has a particular role in bringing together older members of our parish and is sometimes followed by a parish lunch. The Saturday Mass is the foundation for the many activities that take place later in the morning – from flower arranging to brass or church cleaning.

The **Daily Office** is the pattern that sanctifies all hours of the day and Morning Prayer is said every day (except Friday) at 9am. Sometimes there are one or two other people, but about half the time I say Morning Prayer on my own. This doesn't really bother me – what matters is faithfulness in prayer. People hear the bell ringing and know that they are being prayed for. Evening Prayer is said on Sundays at 6pm. Most of the time this is a simple said service but, roughly once a month, this becomes a larger choral service, whether Evensong, Benediction or another kind of special service such as Epiphany Carols. These choral evening services are well attended, and this calendar year we are experimenting with a few more choral evensongs.

Across the Sunday services, our average attendance about 120. It is worth reminding ourselves that this puts us in the top 5% of churches in the country for attendance. Moreover, within this

figure, attendance of under 16s averages at 15 each Sunday. By contrast a large proportion of churches have less than 3 children, with many having 0. Sometimes we do not realise this at St Michael's – we are not a small or insignificant church – and I have encouraged St Michael's to understand that it is a large and influential church.

As well as regular worship there is, of course, the **Occasional/Pastoral Offices** of Baptisms, Weddings and Funerals.

We have few **weddings** at St Michael's, perhaps only 2 or 3 most years. This can feel like a shame because it is a beautiful church, but most people who move to Barnes are already married or opt for a wedding outside London. We continue to long for the day that same-sex couples can be married in church, but in the meantime, we celebrate the love of same-sex couples at a service in church, and we conducted two such services in the past year.

By contrast, we have many **Baptisms** each year – about 15-20 – taking place either during the 10am Sung Mass or in a standalone service at 12.30pm. Our Baptism Welcomers team meets and greets people who have requested a baptism when they come to church, and this helps to integrate them into the life of the parish.

Recently, I collected some statistics about **Confirmation** and discovered that in the last 9 years we had confirmed 74 people, about 2 thirds of which were children and 1 third adults. This is an average of 8 people per year. I strongly suspect this is some of the highest numbers of any church in the diocese, and we are one of only a handful of parishes with a confirmation service every year. Likewise, this year we have 6 children and 4 adults preparing for confirmation.

The clergy conduct 1 or 2 **Funerals** each month. Increasingly, we are only conducting funerals of regular worshippers, even though we often remind people that we welcome requests from anyone who lives in the parish or has a connection with the church, but research evidence suggests that with the decline in cultural Christianity, unless people are already closely connected with a church then they are unlikely to request a funeral through the church.

The **Liturgical Year** gives shape and pattern to our life together, and I am struck by the increase in our Christmas Day attendance in recent years – largely driven by huge attendance at the Christmas Eve Nativity Service, with an additional 'bump' from the All-Age Mass of Christmas Day. Since 2008 onwards Christmas attendance across the three big services (Nativity, Midnight Mass and Christmas Day) has been well over 1000 people, with 1140 in 2025. This constrasts with most churches which would have seen a fall in attendance over the same period.

We have an **open church policy** and this is a ministry all of its own. From just before 9am until nightfall, the church is open for prayer and there is a constant flow of people through the doors. There are always candles lit on the votive stands and people seeking a few moments of rest and quiet. Often, parents bring their children to sit in the Children's Area at the back of church.

Worship is the raison d'etre of the Church, but there is a sense in which it is the 'tip of the iceberg' the visible witness to so much other ministry that takes place. In particular, I think of the **Pastoral Ministry** of the clergy team (myself, Mother Judith and Fr James) along with the Pastoral Ministers (Andy Puddifoot and Pat Reed-Boswell), not forgetting all the informal pastoral care that takes place among friends and neighbours in the congregation. It's impossible to put a figure on the number of people visited both formally and informally but it must be many each week – extending the love of Christ into the community.

The ministry of **Music** is another central feature of our life as a church, with a regular pattern through the week. During the year our Director of Music, Owen Elsley, took up a new role as

Assistant Director of Music at King's College, Cambridge. This necessitated moving musical rehearsals from Wednesdays to Thursdays.

The first of these rehearsals is the Children's Choir at its new time of 4.15pm. After a relaunch in January, it is now drawing 12-15 children, and this is a good foundation for further growth. Just as important has been the expansion of the leadership team, with Lowell Herbert joining Fr James and Frederick Appleby assisting with the Choir.
Musical activities continue later in the afternoon and into the early evening with practice for our organ scholars and the senior choir meeting at a new time of 7.45pm. The Choir is really thriving now with several new members – if everyone is present there are about 25 singers, which is almost too many to fit in the stalls! It is a good problem to have.

The **Parish Office** continues its important ministry of administration four hours a day, four days a week, from Monday to Thursday. Anna Zuckert started as Parish Administrator in Autumn 2025 and brings much experience and fresh perspectives.

Monday night is the customary 'church meeting night' with Standing Committee and **Parish Church Council** meetings. The former take place about once a month, with the latter about 5 times a year. Compared to many churches, our PCC has a good balance of age, gender and backgrounds, and increasingly PCC members are taking on particular briefs to keep certain matters on our agenda, such as Inclusion Children, Teenagers, Pastoral Care or Safeguarding. This gives individual members a particular focus that matches their interests.

There are so many more and special things I could mention, but as one hymn puts it:

'The trivial round, the common task,
will furnish all we ought to ask:
room to deny ourselves, a road
to bring us daily nearer God.'

I give thanks to God for all the ways that our ministry and worship as a church has brought us and others nearer to God this past year.

Fr Stephen Stavrou, *Vicar*

Financial Review

2025 has been dominated by the development of the Church Hall, which has been the largest capital outlay that we have incurred since the Community Centre was build. At the time of writing we are in the final stages, the new roof complete and the drains amongst many other unexpected but perhaps anticipated outlays completed. We are now weeks away from the project being completed.

Our previous tenant retired during the summer allowing this long-awaited work to start, with successful planning obtained in the previous year. Tendering for the build and appointing contractors and then managing the build together with running applications for a new tenant and all the work in arranging the legal documents for the new lease has been a major undertaking and I am incredibly grateful to our churchwardens who have supported us through this process. The Diocese has had oversight at all times, with all key decisions being approved by the PCC.
The roof has a warranty of 50 years, so we will capitalise the full costs from the contractors, for St Michaels, including VAT as we have no ability to reclaim it, when it is complete and the

new tenants in situ. The total cost of the main contractor for completing all work including VAT is anticipated to be £445k, and we will incur surveyor's costs in addition. At the year-end we had incurred £327k of costs, and that is included as an addition in our balance sheet.

Capital transactions have been the theme of the year, and I am pleased to say that the ownership of Flat 5, 20 Lexham Gardens was finally transferred for the beneficial ownership of St Michaels during the year. This was part of the legacy left to us from Basil Moss. Following his estate finally being completed we also received in a final cash sum of £115k which came exactly when it was needed and has helped fund all the work on the Church Hall. We have previously disclosed the value of the Lexham Gardens flat at £1,150,000 however we obtained an up-to-date valuation at between £1,000,000 to £1,050,000 and have recorded the flat within our books at £1,000,000.

As a result of the uplift in our income due to this transaction, we have also been subject for this first time to a full audit, rather than a lighter independent examination.

INCOME

Total Income in 2025 grew in total to £1,393,356, of which £1,000,000 related to the Lexham Gardens Flat which is included in legacies. Our income net of this legacy was £393,356 up from £327,761 the previous year with our unrestricted income at £378,662 compared to £321,268 last year.

Regular Giving was £85,576 consistent with the previous year of £83,044.

In addition to the flat which is recorded as £1,000,000 within legacies we also received the balancing payment from Basil's estate of £115,339 and this was split £105,339 to unrestricted funds and £10,000 to scholarships in restricted funds to reflect Basil's love of music.

Income from fundraising events, not relating to music was £17,422, compared to £16,753.

Income from Investments which includes rent from 41 Elm Bank Gardens, a full year of Lexham Gardens and from cash and shares grew to £87,420 from £84,930.

Church Hall lettings fell to £18,466 compared to £43,096 as we only had monies from the Spring and Summer terms with the Hall then closed for development. Community Centre lettings grew to £47,192 compared to £41,436.

We also had several high-profile funerals and weddings so income from fees grew to £8,949 from £4,274.

Total underlying income was therefore £267,295 compared to £288,040, with most of the difference due to the loss in income for the church hall while it is closed for development. By week this is £5,140 compared to £5,539 a drop of 7%.

EXPENDITURE

Total expenditure grew to £311,261 compared to £275,517. The main reason for the increase being £28,233 of costs that have been expensed for the development of the hall.

ANNUAL REPORT
For the year ended 31 December 2025

Costs for raising funds fell to £7,184 compared to £11,676 mainly as we did not incur the costs for music expenses of £1,049 that was incurred in the previous year. Costs of managing investments fell slightly to £16,520 from £17,478.

Costs for Activities associated with the Church fell grew to £287,557 from £246,363. £23,233 related to church hall development costs, namely costs for professional fees associated with the build. There has also been a growth in support costs to £13,347 from £5,891 primarily due to the need to have a full audit this year.

The total underlying expenditure grew to £238,330 from £225,191 an increase of 6% by week £4,583 compared to £4,331.

The surplus per week was therefore £557 compared to £1,209.

Table of Underlying Unrestricted Income and Expenditure

Operational Income & Expenditure including Split by Income Streams

	2025		2024	
Total Income		£1,393,356		£327,761
Less Fundraising	£17,422	(£17,422)	£16,753	(£16,753)
Fundraising Costs	(£6,028)		(£9,228)	
Add Fundraising Surplus	£11,394	£11,394	£7,525	£7,525
		£1,387,328		£318,533
Legacies not allocated to Hall or restricted (Moss in 2026)		(£1,105,339)		(£24,000)
Other restricted grants		(£14,694)		(£6,493)
Underlying Income Trend		**£267,295**		**£288,040**
Income per week (excluding grants, appeals & legacies)		£5,140	-7%	£5,539
Total Expenditure		£311,261		£275,517
Less Restricted Expenditure		(£24,598)		(£27,026)
Less Fundraising costs		(£6,028)		(£9,228)
Less Depreciation		(£14,072)		(£14,072)
Less exceptional Hall Costs		(£28,233)		
Underlying Expenditure		**£238,330**		**£225,191**
Expenditure per week		£4,583	6%	£4,331
Net Surplus/ (Deficit)		**£28,965**		**£62,849**
Surplus per week		£557		£1,209
Splitting (Deficit)/Surplus between Income Streams				
Church Hall		£12,414		£28,919
Community Centre		£28,724		£26,300
Fabric Fund (Surplus on EBG less maintenance)		£28,667		£30,230
Music Fund		£2,168		£835
Investment Income (Arthur Ford)		£10,531		£7,383
Lexham Gardens		£15,606		£16,478
Ministry Fund		(£69,145)		(£47,296)
Net Surplus/(Deficit) before Investment Gains		**£28,965**		**£62,849**
Net In Year Church (Deficit)/Surplus after Community Centre & Allocated Hall & *Lexham Surpluses (new for 2025)*		**£4,942**		**£7,134**

Additional Assets held in the Balance Sheet

There are two notable changes in our balance sheet. Costs associated with contractors' costs for the Church Hall were capitalised to increase the fixed asset value of the church hall by £327,090. The Property that is Flat 5, 20 Lexham Gardens is now held as an asset within our balance sheet. The deeds are held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The Property was valued at £1,000,000 in March 2026 and it has been recorded in the balance sheet at that value at 31 December 2025.

OUTLOOK FOR 2026

The Outlook for 2026 is positive in that with the new lease of the Church Hall we are guaranteed a secure rental for the next ten years. While we will have several months rent free cash will be low but come the Autumn, we expect income to start being generated. While we are currently just covering our costs this will provide much needed funds to ensure we continue to generate a surplus over the coming years.

Unrestricted – Undesignated and Designated Funds
Unrestricted funds encompass funds for the general running of the Church, Church Hall and Community Centre and include the Ministry Fund, previously known as the General Fund, the Fabric Fund, Music Fund, Hall Renovation Fund and Arthur Ford Community Fund. The deficit from the Ministry Fund is eliminated by all surplus from the Community Fund and from contributions from the Church Hall and Lexham Gardens.

The Fabric fund, which is set aside to fund the fabric of the Church, and the Community Centre grew to £193,541. Included in this amount is £24,000 from legacies received in 2024 to help fund a project for new glass doors for the church which is part of our mission action plan. The balance on the Hall Renovation Fund of £91,710 has been transferred to the main church hall fund.

The Arthur Ford fund has grown to £296,753.

One month's rent is retained within the Lexham Gardens fund for any maintenance with any surplus over and above this split between Ministry and Unrestricted Mission fund.

This year we have a new Lexham Gardens Property Fund to record the value of Flat 5, 20 Lexham Gardens. This was valued in March 2026 at £1,000,000 and we have recorded the flat at this value at 31 December 2025.

Endowment Funds
These include the assets of St Michaels. The Campaign for St Michael's which includes the build cost for the Community Centre and its associated cloisters, it is held after depreciation at a value of £436,699.

Restricted Funds

The Choral Scholarship fund has benefited from being allocated £10,000 from the final settlement of Basil Moss's Estate. This fund is currently valued at £18,575.

ANNUAL REPORT
For the year ended 31 December 2025

The Mission Fund is continuing to be used to fund Farther James Marston's our assistant priest, which we share on a 50/50 basis with St Mary's. This fund is valued at £16,950.

The total value of all funds rose by £1,074,940 to £3,211,388.

Public Benefit Reporting
The Parochial Church Council confirms that it follows the Charity Commission guidance on public benefit in setting its objectives and believes it has fully fulfilled its obligations with the variety of work and activities undertaken throughout the community. St Michael & All Angels is registered as a Charity under Charity Number 11339.

Reserves Policy
The policy of the Parochial Church Council is to target a level of reserves in the Ministry Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £4,583 per week, equates to a total of £59,579. This remains completely out of reach, but we take some comfort that at least our Ministry Fund is out of deficit and back in surplus and we are in surplus on a week by week basis.

Investment Policy and Cash Deposits
The Finance Committee have developed what they regard as a mixed risk strategy with all funds invested in the CCLA UK Equity Income Fund/cash deposits with the CCLA and Barclays Bank. The Parochial Church Council reinvested a proportion of the Arthur Ford fund of £120,000 in the CCLA UK Equity Income Fund in 2019 and £20,000 of Funds into the CCLA Global Fund in 2023. Given the high level of cash currently held we are currently looking to expand our investments with the CCLA.

Risk Management
The Parochial Church Council has assessed the major risk to which St Michael's might be exposed, those related to the activities and finances of the Church and is satisfied that there are systems and processes in place to mitigate exposure to any major risk. The Finance Committee reviews the financial position of the church at least quarterly, while the Churchwardens regularly report on the status of the fabric of the church and other buildings to determine appropriate courses of action. Fabric and Finance are standing items on PCC agendas.

Statement of Trustee's responsibilities
The trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for maintaining proper accounting records which disclose with

reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust's governing documents. The trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Father Stephen Stavrou (Vicar)

On behalf of the PCC
Date: 26 April 2026



INDEPENDENT AUDITORS REPORT

TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

Opinion

We have audited the financial statements of St Michael and All Angels Parochial Church Council (the "PCC") for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. The PCC members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the PCC members' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to recognition of legacy income, management bias in accounting estimates including the valuation of investment properties, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing legacy correspondence, challenging significant accounting estimates, evaluating the internal controls, reviewing PCC meeting minutes, agreeing financial statement disclosures to underlying supporting documentation and identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-

compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Other matter

The charity's income and assets were below the threshold where an audit was required in the prior year. Therefore, the comparative figures are not audited.

Use of our report

This report is made solely to the PCC members, as a body, in accordance Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Xeinadin Audit Limited
Statutory Auditor
Chartered Accountants

Xeinadin Audit Limited

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 29 April 2026

Xeinadin Audit Limited is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MICHAEL AND ALL ANGELS, BARNES

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	**Total funds 2025 £**	Total funds 2024 £
Income from:						
Donations and legacies	2(a)	1,194,309	14,694	-	**1,209,003**	120,470
Other trading activities	2(b)	20,054	-	-	**20,054**	23,089
Investments	2(c)	87,420	-	-	**87,420**	84,930
Charitable church activities	2(d)	76,879	-	-	**76,879**	99,272
TOTAL INCOME		1,378,662	14,694	-	**1,393,356**	327,761
Expenditure on:						
Raising funds	3(a)	7,184	-	-	**7,184**	11,676
Managing Investments	3(b)	16,520	-	-	**16,520**	17,478
Charitable church activities	3(c)	248,887	24,598	14,072	**287,557**	246,363
TOTAL EXPENDITURE		272,591	24,598	14,072	**311,261**	275,517
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		1,106,071	(9,904)	(14,072)	**1,082,095**	**52,244**
NET GAIN/(LOSS) ON INVESTMENTS	8	(7,155)	-	-	**(7,155)**	5,727
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		1,098,916	(9,904)	(14,072)	**1,074,940**	57,971
TRANSFER BETWEEN FUNDS		-	-	-	**-**	-
NET MOVEMENT IN FUNDS		1,098,916	(9,904)	(14,072)	**1,074,940**	57,971
BALANCE AT 1.1.2025		**590,188**	**45,429**	**1,500,771**	**2,136,388**	2,078,417
BALANCE AT 31.12.2025		**1,689,104**	**35,525**	**1,486,699**	**3,211,328**	2,136,388

The notes on pages 17 to 29 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

BALANCE SHEET
As at 31 December 2025

	Note	2025		2024	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	6		1,013,789		700,771
Investment property	7		1,800,000		800,000
Investments	8		177,710		184,865
			2,991,499		1,685,636
Current assets:					
Debtors	9	6,402		9,350	
Short term deposits		95,527		134,996	
Cash at bank		182,340		341,954	
		284,269		486,300	
Creditors – Amounts falling due within one year:	10	(64,440)		(35,548)	
Net current assets			219,829		450,752
Total assets less current liabilities			3,211,328		2,136,388
Net assets			**3,211,328**		**2,136,388**
Funds:					
Endowment funds	11 & 12		1,486,699		1,500,771
Unrestricted funds	11 & 12		1,689,104		590,188
Restricted funds	11 & 12		35,525		45,429
			3,211,328		**2,136,388**

Approved by the Parochial Church Council on 26th April 2026 and signed on its behalf by:



Jacqueline Russell
(Honorary Treasurer)

The notes on pages 17 to 29 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

CASHFLOW STATEMENT
For the year ended 31 December 2025

	2025		2024	
	£	£	£	£
Cash provided by operating activities (see below)		117,476		51,817
Cash Flows from Investing Activites				
Investment Income	10,531		10,912	
Payments on fixed asset additions	(327,090)		-	
Cash (used in)/provided by investing activities		(316,559)		10,912
Net Cash (Outflow)/Inflow		(199,083)		62,729
Cash and cash equivalents at 1 January 2025		476,950		414,221
Cash and cash equivalents at 31 December 2025		277,867		476,950
Cash provided by operating activities				
Net Income		1,074,940		57,971
Interest Income		(10,531)		(10,912)
Loss/(Gain) on Investments		7,155		(5,727)
Non-Cash Legacy		(1,000,000)		-
Depreciation Charge		14,072		14,072
Decrease/(Increase) in Debtors		2,948		(1,443)
Increase/(Decrease) in Creditors		28,892		(2,144)
		117,476		51,817
Analysis of cash and cash equivalents				
Cash at bank and in hand		182,340		341,954
Notice deposits (less than three months)		95,527		134,996
		277,867		476,950

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

1 ACCOUNTING POLICIES

St Michael and All Angels, Barnes is an unincorporated charity. The address of the registered office is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

Basis of preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice 2019 (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

They have also been prepared under the historic cost convention, except for the valuation of investments which are shown on the basis described below. The charity prepares its financial statements in pounds Sterling, rounding to the nearest £.

They include all transactions, assets, and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

The charity meets the definition of a public benefit entity under FRS 102.

Going Concern
There are no material uncertainties about the charity's ability to continue and accordingly the accounts have been drawn up on a going concern basis.

Funds
Funds held by the PCC are:

Unrestricted funds:
- Undesignated funds which can be used for PCC ordinary purposes.
- Designated funds – monies set aside by the PCC out of unrestricted funds for specific future purposes or projects. Funds for the day-to-day running of the Church Hall and the Community Centre, and the Fabric Fund, have been designated in this way.

Restricted funds, which comprise either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given.

Endowment funds – funds the capital of which must be maintained, apart from those relating to depreciating properties which are amortised over their useful life. Only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment. A list of the endowment funds is in note 10 to the financial statements.

Income
All income is accounted for gross of taxes.

Donations, legacies, and capital sources
Collections are recognised when received by or on behalf of the PCC.
Planned giving receivable under gift aid is recognised only when received.
Income tax recoverable on gift aid donations is recognised when claimable from HMRC.
Grants and legacies are accounted for when the PCC is legally entitled to the amount due, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Other income
Rental income from the letting of the church hall is recognised when the rental is due.

Accounting Policies - continued

Investment income
Interest is received gross of taxes and accounted for when receivable.
Rental income from 41 Elm Bank Gardens and Lexham Gardens is recognised when the rental falls due.

Government grants
Grants are accounted under the accruals model as permitted by FRS 102.
Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

Expenditure
Expenditure is accounted for on an accruals basis and is accounted for gross of taxes.

Liabilities are recognised as expenditure where that is a legal or constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants and church activities
Grants and donations are accounted for when paid over or when awarded if that award creates a binding obligation on the PCC. All church activity costs are accounted for on a full accrual's basis and any prepayments or accruals are shown in the balance sheet as either current assets or current liabilities.

Tangible fixed assets and depreciation
Consecrated land and buildings and movable church furnishings
The value of consecrated and beneficed property of any kind is excluded from the financial statements under section 10(2)(a) and (c) of the Charities Act 2011. Moveable church furnishings held by the vicar and church wardens on special trust for the PCC and requiring a faculty for disposal are accounted for as inalienable property, unless consecrated. Inalienable property acquired prior to 2000 is not valued in the financial statements, as there is insufficient information available. From 1 January 2001, the acquisition cost of such an item, where it exceeds £1,000, is capitalised, and depreciated over its anticipated useful life.

Other fixtures, fittings, and office equipment
Individual items of equipment costing £1,000 or less are written off when the asset is acquired. Items costing more than £1,000 are depreciated over 3 years on a straight-line basis.

Land
No depreciation is charged on the value attributed to land.

St Michael's Community Centre
Depreciation is provided to write off the cost of the Community Centre over its useful life of 50 years.

Church Hall
No depreciation is charged as the residual value is considered higher than the cost.

Church Hall Roof
Depreciation will be charged when the work on the roof is completed and when the building comes back into use. This is expected to be in Autumn 2026. The warranty on the Roof is 50 years and as such it is proposed that the roof will be depreciated over its warrantied life.

Investment properties
Certain of the charity's properties are held for long term investment. In accordance with the Financial Reporting Standard 102, investment properties are included in the balance sheet initially at their cost. Subsequently investment properties are valued at fair value through the Statement of Financial Activities. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

Accounting Policies - continued

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The members believe that this policy of not providing depreciation or amortisation is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation.

Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

Investments
Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current assets
Amounts owing to the PCC on 31 December in each year in respect of fees, rents and other incomes are shown as debtors less any provision for amounts that may prove uncollectible. Short term deposits include cash on deposit with the CBF Church of England Fund and is held for investment purposes.

Cash
Cash comprises cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities
Liabilities are recognised when there is an obligation at the Balance sheet date because of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting estimates and areas of judgment
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

- Valuation of the investment property has been undertaken by the trustees themselves. The basis for the valuation includes consideration of the declining property market around the area of Barnes they foresee, and the level of work required to bring the property into a resalable condition.

2 INCOME:

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2025	2024
	£	£	£	£	£
2(a) Donations and legacies					
Planned giving:					
Gift Aid donations	57,634	-	-	**57,634**	57,388
Other donations	4,806	-	-	**4,806**	3,542
Choral Scholarship	-	2,250	-	**2,250**	2,364
Income tax recoverable	14,757	-	-	**14,757**	15,751
Collections	8,379	-	-	**8,379**	6,363
Regular giving	85,576	2,250	-	**87,826**	85,408
Grants, appeals, legacies etc	1,108,733	12,444	-	**1,121,177**	35,062
Government grants	-	-	-	**-**	-
	1,194,309	14,694	-	**1,209,003**	120,470
2(b) Other trading activities					
Fundraising events	17,422	-	-	**17,422**	16,753
Music Fund income	2,168	-	-	**2,168**	5,860
Catering	464	-	-	**464**	476
	20,054	-	-	**20,054**	23,089
2(c) Income from investments					
Rent from 41 As per Gardens	50,381	-	-	**50,381**	48,376
Rent from Lexham Gardens	26,508	-	-	**26,508**	25,642
Investment income	10,531	-	-	**10,531**	10,912
	87,420	-	-	**87,420**	84,930
2(d) Income from charitable church activities					
Church Hall lettings	18,466	-	-	**18,466**	43,096
Fees (weddings etc)	8,949	-	-	**8,949**	4,274
Community Centre lettings	47,192	-	-	**47,192**	41,436
Pastoral care	617	-	-	**617**	-
Sundry income	1,655	-	-	**1,655**	10,466
	76,879	-	-	**76,879**	99,272
TOTAL INCOME	**1,378,662**	**14,694**	**-**	**1,393,356**	327,761

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

3 EXPENDITURE:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2025 £	2024 £
3(a) *Raising funds*					
Fund-raising events	6,028	-	-	**6,028**	9,228
Music Fund expenses	-	-	-	**-**	1,049
Catering expenses	1,156	-	-	**1,156**	1,399
	7,184	-	-	**7,184**	11,676
3(b) *Cost of managing investments*					
41 Elm Bank Gardens	5,618	-	-	**5,618**	8,314
Lexham Gardens costs	10,902	-	-	**10,902**	9,164
	16,520	-	-	**16,520**	17,478
3(c) *Charitable Church activities*					
Missionary and charitable giving	5,250	-	-	**5,250**	4,957
Diocesan pledge	89,300	-	-	**89,300**	86,300
Ministry costs inc. Clergy expenses	4,459	23,698	-	**28,157**	30,354
Church running costs	21,883	-	-	**21,883**	16,126
Church hall running costs	6,052	-	-	**6,052**	13,734
Church hall development costs	28,233	-	-	**28,233**	-
Community Centre running costs	18,468	-	-	**18,468**	15,031
Church maintenance	16,096	-	-	**16,096**	18,570
Organ, organist, and music	20,957	-	-	**20,957**	14,333
Fees remitted to Diocese	-	-	-	**-**	130
Depreciation	-	-	14,072	**14,072**	14,072
Choral Scholarship	-	900	-	**900**	1,865
Parish office	20,535	-	-	**20,535**	23,315
Bank charges	295	-	-	**295**	322
Pastoral Care	617	-	-	**617**	1,113
Event costs	3,395	-	-	**3,395**	250
Support costs (note 4)	13,347	-	-	**13,347**	5,891
Total church activities	248,887	24,598	14,072	**287,557**	246,363
TOTAL EXPENDITURE	272,591	24,598	14,072	**311,261**	275,517

4. ALLOCATION OF SUPPORT COSTS

Support costs consisting of accountancy fees have been allocated to the church's activities on the following basis;

		Charitable church activities	
	Allocation	2025	2024
		£	£
Accountancy fees	100%	13,347	5,891

5. PCC MEMBERS' BENEFITS AND STAFF COSTS

	2025	2024
	£	£
Gross Salaries	24,903	14,375
Pension contributions	331	-
	25,234	14,375

The average number of employees in the year was 2 (2024: 1).

No members of the PCC were reimbursed for expenses (2024: None). No members of the PCC received remuneration for services as trustees. No employees received remuneration of more than £60,000 (2024: none). There are no Key Management Personnel except for the PCC.

6. TANGIBLE FIXED ASSETS

	St Michael's Community Centre	Church Hall	Other fixtures, fittings and office equipment	**Total**
	£	£	£	**£**
Cost				
At 1 January 2025	704,097	250,000	5,433	**959,530**
Additions	-	327,090	-	327,090
Disposals at cost	-	-	-	**-**
Cost as at 31 December 2025	704,097	577,090	5,433	**1,286,620**
Depreciation				
At 1 January 2025	253,326	-	5,433	**258,759**
Charge for the year	14,072	-	-	**14,072**
Eliminated on disposal	-	-	-	**-**
At 31 December 2025	267,398	-	5,433	**272,831**
Net book value				
At 31 December 2025	**436,699**	**577,090**	**-**	**1,013,789**
At 31 December 2024	450,771	250,000	-	700,771

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

The Title Deeds for the Church Hall, 41 Elm Bank Gardens and for Flat 5, 23 Lexham Gardens held as an investment asset detailed below, are held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the Church Hall generates and the obligation for maintaining the building, and the right to proceeds were the Church Hall to be sold.

7. INVESTMENT PROPERTIES

	Investment Properties £
Cost or valuation	
At 1 January 2025	800,000
Additions	1,000,000
At 31 December 2025	**1,800,000**

At the year ended 31 December 2025 the PCC agreed that they believe the current valuation of £800,000 of 41 Elm Bank Gardens was appropriate. The cost of incurring a valuation is regarded as an undesirable use of church funds. Flat 5, 23 Lexham Gardens was professionally valued by a local estate agent.

8. INVESTMENTS

	CCLA Income Shares £
Fair value	
At 1 January 2025	184,865
Revaluation	(7,155)
At 31 December 2025	**177,710**

Historical cost of the investments is £160,000 (2024: £160,000).

9. DEBTORS

	2025 £	2024 £
Income tax recoverable	4,061	4,353
Prepayments	2,341	1,997
Other debtors	-	3,000
	6,402	9,350

10. LIABILITIES

	2025 £	2024 £
Amounts due within one year		
Creditors and accruals	61,393	31,985
Deferred Income	621	1,137
St Michael's Guild	220	220
St Michael's counselling service	2,206	2,206
	64,440	35,548

St Michael's Guild is an informal gathering of church members, and St Michael's counselling service, which also works in association with St Michael's, both operate independently of the PCC. Deferred income relates to funds granted from the Barnes Fund and from a Parishioner for Pastoral expenditure.

11. ANALYSIS OF NET ASSETS BY FUND

	Fixed and Investment assets	Bank	Debtors	Creditors	Net assets At 31 December 2025
Unrestricted:	£	£	£	£	£
Undesignated					
Ministry Fund	-	55,167	6,402	(39,338)	**22,231**
Designated					
Fabric Fund	-	193,541	-	-	**193,541**
Church Hall	327,090	(156,248)	-	(25,102)	**145,740**
Music Fund	-	10,799	-	-	**10,799**
Arthur Ford Community Fund	177,710	119,043	-	-	**296,753**
Lexham Gardens	-	6,442	-	-	**6,442**
Mission fund	-	13,598	-	-	**13,598**
Lexham Gdns Property Fund	1,000,000	-	-	-	**1,000,000**
	1,504,800	**242,342**	**6,402**	**(64,440)**	**1,689,104**
Endowment:					
Campaign for St Michaels	436,699	-	-	-	**436,699**
Church Hall	250,000	-	-	-	**250,000**
41 Elm Bank Gardens	800,000	-	-	-	**800,000**
	1,486,699	**-**	**-**	**-**	**1,486,699**
Restricted funds:					
Choral Sponsorship Fund	-	18,575	-	-	**18,575**
Mission Fund	-	16,950	-	-	**16,950**
	-	**35,525**	**-**	**-**	**35,525**
	2,991,499	**277,867**	**6,402**	**(64,440)**	**3,211,328**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

11. ANALYSIS OF NET ASSETS BY FUND – continued

	Fixed assets	Bank	Debtors	Creditors	Net assets At 31 December 2024
Unrestricted:	£	£	£	£	£
Undesignated					
Ministry Fund	-	43,487	9,350	(35,548)	**17,289**
Designated					
Fabric Fund	-	166,397	-	-	**166,397**
Music Fund	-	9,003	-	-	**9,003**
Hall Renovation Fund	-	91,710	-	-	**91,710**
Arthur Ford Community Fund	184,865	109,512	-	-	**294,377**
Lexham Gardens	-	4,276	-	-	**4,276**
Mission Fund	-	7,136	-	-	**7,136**
	184,865	**431,521**	**9,350**	**(35,548)**	**590,188**
Endowment:					
Campaign for St Michaels	450,771	-	-	-	**450,771**
Church Hall	250,000	-	-	-	**250,000**
41 Elm Bank Gardens	800,000	-	-	-	**800,000**
	1,500,771	**-**	**-**	**-**	**1,500,771**
Restricted funds:					
Choral Sponsorship Fund	-	7,225	-	-	**7,225**
Mission Fund	-	38,204	-	-	**38,204**
	-	**45,429**	**-**	**-**	**45,429**
	1,685,636	**476,950**	**9,350**	**(35,548)**	**2,136,388**

12. FUND DETAILS

Designated Funds

The Fabric Fund has been formed to provide for expenditure on the fabric of the church and community centre, which is directly linked to the church, and the net rentals received from 41 Elm Bank Gardens are designated for this purpose.

The Community Centre fund has been established to control the activities of the Centre separately from the general activities of the church. Any surplus from the Community Centre is designated for Ministry.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

12. FUND DETAILS - continued

The Church Hall Fund is a partly designated fund as income must be applied first to the running costs, repairs, and maintenance of the Hall. The PCC has previously designated that an amount equal to the maximum of a) the deficit on Ministry, after the Community Centre Surplus has been considered or b) 50% of the total Church Hall Fund surplus, should transfer to Ministry Fund. Any remaining balance remains in the fund. With the work ongoing on the Hall this year this designation has been set aside while the PCC reconsiders the long-term use and no such transfers have been made.

The Arthur Ford Community Fund was established from a legacy from the estate of Arthur Ford. The fund will be used to benefit the people of the parish and will be available to fund community projects. The Arthur Ford fund has been earmarked by the PCC to support the costs for a rebuild/renovation of the Church Hall. A decision on the reallocation of this fund to the Church Hall Fund will be made once all costs are known and the Church Hall rebuild completed this is likely to be in 2026.

The Music Fund was established to ring fence any surpluses from specific music fundraising events. This provides a fund to enable investment in new community wide music events as well as providing support for assistant organists, musicians and for the occasional evensong service. The Organist for the 10 o'clock mass will continue to be funded from Regular Giving.

The Hall Renovation Fund was established to fund major maintenance, renovation, and development of the Church Hall.

Lexham Gardens represents income and expenditure from the flat, Flat 5, 20 Lexham Gardens, left to us by a legacy from the late Basil Moss. This property was let for the first time in 2023 and we have had a full year of income in 2025. The PCC have currently designated all surpluses, over and above a month's letting income net of agent's costs, firstly to the Ministry Fund to eradicate any surplus with any remaining to be set aside in the unrestricted Mission Fund. All expenditure incurred on maintenance comes from surpluses generated from letting.

Legal title for Flat 5, 20 Lexham Gardens transferred for the benefit of St Michael and All Angels during the year. A new fund to record the value of the Property, valued at £1,000,000 at March 2026 has therefore been created, the Lexham Gardens Property Fund. Deeds are held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. Flat 5, Lexham Gardens will be held as an Investment Property.

Mission Fund – is for surpluses generated from Lexham Gardens, which are not required to eliminate the deficit on the Ministry Fund. The Mission Fund is to support the extension of Mission throughout the parish including supporting funding of an assistant priest.

<u>Endowment Funds</u>

The Campaign for St Michael's fund was established in 1998 to raise funds to cover the costs of external repairs to the church, refurbishment of the interior and the building of a new Community centre.
Also, included within Endowment Funds are certain properties and other funds of a capital nature, which were directly endowed for the long-term benefit of St Michaels. Properties and assets which are funded from unrestricted funds are held as unrestricted assets.

The title to the Church Hall and 41 Elm Bank Gardens is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee, with restrictions on disposal, for the benefit of St Michael's.

<u>Restricted Funds</u>

Mission fund – This includes specific donations from a donor who wishes to remain anonymous. The donation is restricted for the purpose of mission in relation to the ministry of St Michael & All Angels,

Barnes. Mission is defined as an activity or project which reaches out into the parish to share the Christian faith and bring new people into relationship with God and the Church. The donation cannot be used for building, alteration or maintenance of the church fabric, or the fabric of other church-owned buildings, or to finance any proposed new building work by the church.

12. FUND DETAILS - continued

Restricted Funds (continued)
This fund is being used to fund costs relating to the appointment of Fr James Marston, our assistant priest, who we share with St Mary's, both organisations contributing 50% towards his costs.

Choral Sponsorship Funds – the Choral sponsorship fund was set up to provide Choral Scholarships for new members of the choir and for Organ Scholars.

13. ANALYSIS OF FUND MOVEMENTS

	Balances B/ Fwd 1 Jan 25	Income	Expenditure	Gains/(losses)	Transfers	Balances C/Fwd 31 Dec 25
	£	£	£	£	£	£
Unrestricted funds						
Undesignated						
Ministry Fund	17,289	155,979	(186,222)	-	35,185	**22,231**
Designated						
Fabric Fund	166,397	48,858	(21,714)	-	-	**193,541**
Community Centre	-	47,192	(18,468)	-	(28,724)	**-**
Church Hall	-	88,315	(34,285)	-	91,710	**145,740**
Music Fund	9,003	1,796	-	-	-	**10,799**
Hall Renovation Fund	91,710	-	-	-	(91,710)	**-**
Arthur Ford Community Fund	294,377	10,531	(1,000)	(7,155)	-	**296,753**
Lexham Gardens	4,276	25,991	(10,902)	-	(12,923)	**6,442**
Mission Fund	7,136	-	-	-	6,462	**13,598**
Lexham Gdns Property Fund	-	1,000,000	-	-	-	**1,000,000**
	590,188	1,378,662	(272,591)	(7,155)	-	**1,689,104**
Endowment funds						
Campaign for St Michael's	450,771	-	(14,072)	-	-	**436,699**
Church Hall	250,000	-	-	-	-	**250,000**
41 Elm Bank Gardens	800,000	-	-	-	-	**800,000**
	1,500,771	-	(14,072)	-	-	**1,486,699**
Restricted funds						
Choral Sponsorship Fund	7,225	12,250	(900)	-	-	**18,575**
Mission Fund	38,204	2,444	(23,698)	-	-	**16,950**
	45,429	14,694	(24,598)	-	-	**35,525**
	2,136,388	**1,393,356**	**(311,261)**	**(7,155)**	**-**	**3,211,328**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025 (continued)

13. ANALYSIS OF FUND MOVEMENTS - continued

	Balances B/ Fwd 1 Jan 24	Income	Expenditure	Gains/(losses)	Transfers	Balances C/Fwd 31 Dec 24
	£	£	£	£	£	£
Unrestricted funds						
Undesignated						
Ministry Fund	10,155	113,885	(161,181)	-	54,430	**17,289**
Designated						
Fabric Fund	112,167	81,114	(26,884)	-	-	**166,397**
Community Centre	-	41,331	(15,031)	-	(26,300)	**-**
Church Hall	-	42,653	(13,734)	-	(28,919)	**-**
Music Fund	8,168	9,260	(8,425)	-	-	**9,003**
Hall Renovation Fund	83,787	-	-	-	7,923	**91,710**
Arthur Ford Community Fund	281,267	7,383	-	5,727	-	**294,377**
Lexham Gardens	2,068	25,642	(9,164)	-	(14,270)	**4,276**
Mission Fund	-	-	-	-	7,136	**7,136**
	497,612	321,268	(234,419)	5,727	-	**590,188**
Endowment funds						
Campaign for St Michael's	464,843	-	(14,072)	-	-	**450,771**
Church Hall	250,000	-	-	-	-	**250,000**
41 Elm Bank Gardens	800,000	-	-	-	-	**800,000**
	1,514,843	-	(14,072)	-	-	**1,500,771**
Restricted funds						
Choral Sponsorship Fund	4,559	4,531	(1,865)	-	-	**7,225**
Mission Fund	61,403	1,962	(25,161)	-	-	**38,204**
	65,962	6,493	(27,026)	-	-	**45,429**
	2,078,417	**327,761**	**(275,517)**	**5,727**	**-**	**2,136,388**

14. AUDITOR'S REMUNERATION

The Auditor's remuneration includes an audit fee of £8,100 (2024: £2,220 for independent examination) and £3,280 for accountancy services (2024: £2,460).

15. CONTINGENT ASSET

Following the transfer of the property that is Flat 5, 23 Lexham Gardens at a value of £1,000,000 to the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC we have recorded the flat within the balance sheet of St Michael & All Angels at 31 December 2025. There are therefore no contingent assets held.

16. RELATED PARTY TRANSACTIONS

There were no related party transactions including members of the PCC. The amount totalled £nil in the year (2024: £nil).

17. CAPITAL COMMITMENT

Capital commitments as at 31 December 2025 amounted to £102,545 (2024: £nil).

18. POST BALANCE SHEET EVENT

There are no material post balance sheet events.

19. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	**Total funds 2024 £**
Income from:					
Donations and legacies	2(a)	113,977	6,493	-	**120,470**
Other trading activities	2(b)	23,089	-	-	**23,089**
Investments	2(c)	84,930	-	-	**84,930**
Charitable church activities	2(d)	99,272	-	-	**99,272**
TOTAL INCOME		321,268	6,493	-	**327,761**
Expenditure on:					
Raising funds	3(a)	11,676	-	-	**11,676**
Managing Investments	3(b)	17,478	-	-	**17,478**
Charitable church activities	3(c)	205,265	27,026	14,072	**246,363**
TOTAL EXPENDITURE		234,419	27,026	14,072	**275,517**
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		86,849	(20,533)	(14,072)	**52,244**
NET GAIN/(LOSS) ON INVESTMENTS		5,727	-	-	**5,727**
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		92,576	(20,533)	(14,072)	**57,971**
TRANSFER BETWEEN FUNDS		-	-	-	**-**
NET MOVEMENT IN FUNDS		92,576	(20,533)	(14,072)	**57,971**
BALANCE AT 1.1.2024		497,612	65,962	1,514,843	**2,078,417**
BALANCE AT 31.12.2024		**590,188**	**45,429**	**1,500,771**	**2,136,388**